



MINUTES

Board of Water Commissioners
Water Resources Conference Room
3rd floor, 619 Garden Street
Monday, December 14, 2015, at 3:00 p.m.

- COMMISSIONERS PRESENT: Barry Keller, Mike Kielborn, Dave Davis, Megan Birney
- COUNCIL LIAISON ABSENT: Harwood "Bendy" White
- STAFF PRESENT: Joshua Haggmark, Water Resources Manager; Kelley Dyer, Water Supply Manager; Bill Ferguson, Project Manager; Linda Sumansky, Principal Engineer; Madeline Ward, Water Conservation Coordinator; Anne Van Belkom, Administrative Assistant; Patricia Fletcher, Administrative Specialist
- PUBLIC: Deborah L. Schwartz, Planning Commission Liaison; Brianna Briggs, RDN; Pete Dal Bello (ICA); Michelle Housh; John Schuck, President, Franciscan Development;
1. CALL TO ORDER: The meeting was called to order at 3:01 p.m.
 2. ROLL CALL ABSENT: Commissioner Jordan.
 3. CHANGES TO THE AGENDA: It was announced that Commissioners Birney and Keller were reappointed by Council to the Water Commission for 4 more years.
 4. COMMENTS BY THE PUBLIC: None
 5. CONSENT ITEMS:
 - a. MEETING MINUTES FOR NOVEMBER 9, 2015.
 - b. AGREEMENT FOR SURFACE WATER AND GROUNDWATER MONITORING.
 - c. CONTRACT FOR CONSTRUCTION OF SANTA BARBARA HIGH SCHOOL WELLHEAD PROJECT.MOTION (Birney/Davis 4-0-0): to approve the staff recommendations on the consent items.
 6. ADMINISTRATIVE ITEMS:
 - a. INCREASE IN CONSTRUCTION CHANGE ORDER AUTHORITY TO ADDRESS CONTAMINATED SOILS FOR DESIGN, BUILD, AND OPERATE CONTRACT FOR THE CHARLES E. MEYER DESALINATION PLANT. On-site construction began in September 2015. On November 3, 2015, IDE Americas, Inc. (IDE) notified staff that suspicious soils were encountered at the site, which subsequently halted construction. Soil samples were taken and results indicated the presence of lead and hydrocarbon distillates from rubble, debris, and diesel fuel, all from unknown sources. Staff and IDE worked on a soils assessment plan which was approved by the County Environmental Health Services. Also approved on December 8, 2015, was an Air Pollution Control District Permit. Remediation requires removal and appropriate disposal of approximately 5,800 cubic yards of material. This property will also be assigned a deed restriction since only a portion of the site will be cleaned up. With the impact of the 30-day delay due to the contaminated soils, staff is working with the contractor to try and make up the lost time and keep the project on schedule for completion in October 2016. MOTION (Davis/Kielborn 4-0-0) to approve staff's recommendation.
 - b. UPDATED WATER AND WASTEWATER CAPACITY FEE REPORT. The focus of this report is the proposed modification of calculating capacity fees for multi-family residential connections to more accurately reflect the capacity requirements of proposed projects. Since the capacity of the smallest water meter (5/8") is often significantly greater than the capacity requirement of individual family units, the proposed concept would establish a variable capacity fee for multi-family projects only served by 5/8" meters based on the proposed Fixture Units as described in the Plumbing Code. A conversion factor of 33 fixture units per 5/8" meter capacity (20 GPM) is proposed as this is the Plumbing Code value associated with a flow rate of 20 GPM. Thus the

proposed fees for multi-family projects would consist of the number of 5/8" equivalents assigned for that project times the 5/8" meter fees. Raftelis Financial Consultants, Inc. (Raftelis), who completed the most recent capacity fee update in 2013 will complete the new Capacity Fee Update Report and assist staff with developing appropriate language for the City Fee Resolution.

- c. **WATER RATE STUDY STATUS UPDATE:** Ms. Dyer reminded the Water Commission that Council approved a contract with Raftelis on November 24, 2015, to develop the Fiscal Year (FY) 2017 water rates. Her presentation to the Water Commission included a summary of the previous water rate development efforts and the preliminary schedule for FY 2017 water rates development. Ms. Dyer described the conceptual options for a proposed temporary fee that has become necessary to offset the revenue losses that are occurring due to higher than anticipated water conservation. Staff will be working with Raftelis to develop a proposed temporary fee intended to address this revenue loss. However, the temporary fee would be removed once the water usage stabilizes and the annual adopted water rates are again sufficient to cover the cost of actual service with reserves back up to Council Policy levels. Staff will be working with Raftelis to develop several options that are being considered for the design of this temporary fee. The initial presentation of the proposed new water rates options will be presented to the Water Commission on February 18th for their recommendation, and to the Finance Committee and City Council on March 1st. The mailing of Proposition 218 noticing will occur from March 7-11th with the Council Rate Hearing scheduled for April 25th. It is anticipated that Council will be adopting the rates on May 3rd with rates to take effect on July 1st along with the other City services increases. Commissioner Birney asked to revisit the Tier 1 Agricultural and Recreational water rates.
 - d. **ANNUAL WATER SUPPLY REPORT AND STAGE THREE DROUGHT UPDATE:** Mr. Haggmark discussed the annual Water Supply Management Report which summarized water supplies and issues for the water year that occurred from October 2014 through September 2015. The purpose of this report is to make findings that the groundwater basins are in long-term balance which is a requirement of the State Water Project. Groundwater resources are in balance, and long-term water production does not exceed estimated basin yield. Several groundwater well projects are underway to increase production capacity during dry periods. Construction at Hope well to install a new motor and pump and to clean the gravel pack is anticipated to begin on January 2016. Due to increases in water main breaks, staff plans an upcoming presentation to the Water Commission on future management strategies for the Water Main Program. Council will be requested to approve the Annual Water Supply Report on January 12, 2016. Staff clarified for Water Commissioners that any agreement with Montecito regarding desalinated water will be in the form of desalinated water purchases from the City of Santa Barbara instead of any partnership involving the desalination plant. Ms. Ward described the annual Water Hero program that highlights individuals, businesses and organizations that go above and beyond in their water conservation efforts. The 2015 award went to the Eucalyptus Hill Homeowners Association for retrofitting 5,000 square feet of lawn in communal areas, and their participation in the Smart Landscape Rebate and Free Sprinkle Nozzle Program. Their projected water savings for these changes is 65%. **MOTION (Birney/Davis 4-0-0):** to approve staff's recommendation.
7. **WATER RESOURCES MANAGER'S REPORT:** The Water Commission agreed with Mr. Haggmark to have the standard Water Resources Manager's Report to be included in the Water Commission packages as an attachment. Any questions regarding the report can be addressed at the next meeting. Mr. Haggmark will be in Sacramento this Wednesday to meet with staff from the Department of Water Resources who are responsible for distributing nearly \$100 Million in grant funds for Desalination Projects. Mr. Haggmark summarized his take away from the 2015 ACWA conference in Indian Wells and encouraged the Commissioners to consider attending the ACWA Spring Conference in Monterey on May 3-6.
 8. **DATE OF NEXT SCHEDULED MEETING:** Beginning in 2016, Water Commission meetings will be held on the 3rd Thursday of each month from 8:00 a.m. – 10 a.m. in the David Gebhard Public Meeting Room at 630 Garden Street (side entrance by the parking lot). Please note that the next Water Commission meeting will be held on Thursday, January 21, 2016, beginning at 8 AM in the David Gebhard Public Meeting Room.

The meeting was adjourned at 5:18 p.m.

Approved: Thursday, January 21, 2016

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